

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6205

BILL NUMBER: HB 1635

NOTE PREPARED: Feb 18, 2009

BILL AMENDED: Feb 17, 2009

SUBJECT: Property Tax Credit for Unpaid Rebate Checks.

FIRST AUTHOR: Rep. Bardon

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill applies the amount of a warrant for the statewide rebate of property taxes on homesteads for taxes payable in 2007 that is unpaid for at least 180 days as a credit against future taxes on the same parcel, except in cases where the property is transferred or held by a creditor in a mortgage transaction that was secured by the property or surrendered for bankruptcy.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) Under current law, checks issued by a local governmental unit are void if by December 31 they have been unpaid for at least two years. Under HEA 1001-2007, any part of the amount distributed to a county for rebates that is not refunded to taxpayers or otherwise applied on behalf of a taxpayer must be returned to the state.

Under this bill, a 2007 property tax rebate check would be void if not cashed within six months rather than two years. The amount of the rebate would then be applied as a credit against the taxes for the same parcel, payable in 2008 (for a reconciliation bill), 2009, or 2010 depending on the timing of the county's billing. No credit would be applied to a subsequent year's tax bill in the event that the rebate amount exceeds the tax amount. The credit would not apply if the property is transferred or held by a secured creditor or if the property has been surrendered for bankruptcy.

In most instances where a rebate check remains uncashed for at least six months, this bill would reduce the current property owner's next tax bill. The state would not receive reimbursement of these unclaimed rebates.

The number and value of uncashed rebate checks is not known at this time.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: County auditors; County treasurers.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.